MAYERSON & HARTHEIMER, PLLC

Sandra E. Mayerson sandy@mhlaw-ny.com 646-778-4381

April 15, 2019

The Hon. James L. Garrity, Jr. United States Bankruptcy Court One Bowling Green
New York, NY 10004

Re: Status Report on Unlockd Media, Inc., and Unlockd Operations US Inc., Case No. 18-13243

Dear Judge Garrity:

As counsel to the debtors and debtors-in-possession (the "Debtors") in the above-captioned case, we were requested to provide the court with a status report by April 18, 2019. Since the status conference has been moved forward to April 16, 2019, we wanted to provide you with an update in advance of the hearing.

As this Court knows, the primary purpose of this chapter 11 was to maximize the return to creditors by allowing litigation to take place. At the time of the filing, it was anticipated that the venue for the litigation would be in Great Britain, however, due to a procedural ruling in Great Britain, the litigation cannot go forward there. This left management of the Debtors with a decision to make whether to pursue litigation in the United States or to liquidate the Debtors. Since the last status conference in this case, counsel has conferred extensively with both the sole director of the Debtors, as well as the sole shareholder for the Debtors. The litigation options as well as all types of liquidation options were reviewed. After much consideration, the Debtors have decided that the best way to maximize the estate is to move forward with litigation in the United States. Accordingly, counsel is preparing a memo outlining the facts and the causes of action in order to attempt to attract litigation financing. Counsel is working closely with the Australian Administrator and British Administrator in order not to duplicate work that has already been done in those cases. Nonetheless, this is a complicated factual and legal scenario, and it will take some time to put something together that is meaningful and complete enough to send out to attract litigation financing. At the same time, the Debtors' director has been interviewing professionals who have expertise in these particular causes of action and hopes to select special litigation counsel soon.

In the meantime, the Debtors have requested an extension of the exclusive time to file a plan of reorganization until August 22, 2019, which is 300 days from the date these cases were filed. By that time, the Debtors anticipate that they will have either (a) obtained litigation financing and have commenced or be in the process of commencing litigation, or (b) will have determined that litigation financing is not available and will have commenced or be in the process of commencing liquidation.

Finally, while the main focus of the Debtors has been litigation, it has nonetheless continued to collect its accounts receivable and settle claims in order to maximize the estates. It has reached a settlement with Silicon Valley Bank on the Bank's secured claim, and expects to file a 9019 Motion later today. It has also resolved other claims, which will be reflected in proofs of claim filed by those creditors. The Debtor have also completed their federal tax returns for 2017 since the last status conference, and is up to date on its taxes, its monthly operating reports, and its US trustee fees. The Debtors' professionals intend to be filing their first fee application in the near future.

Our firm would be happy to answer questions on the above information or any other issues.

Sincerely,

s/ Sandra E. Mayerson

Sandra E. Mayerson MAYERSON & HARTHEIMER, PLLC 845 3rd Ave., 11th floor New York, NY 10022 646-778-4381 sandy@mhlaw-ny.com